

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE PROVISION OF)
RENEWABLE ENERGY PORTFOLIO STANDARDS)
COMPLIANCE CHARGE AND CREDIT RATE TO)
RETAIL CONSUMERS IN THE SERVICE) PSC DOCKET NO. 16-0305
TERRITORY OF DELMARVA POWER & LIGHT)
COMPANY (SUBMITTED APRIL 1, 2016;)
FILED MAY 6, 2016))

ORDER NO. 8888

This 17th day of May, 2016, the Public Service Commission ("Commission") determines and orders the following:

WHEREAS, on April 1, 2016, Delmarva Power & Light Company ("Delmarva") submitted revised electric tariffs and requested approval of the 2016 Renewable Energy Portfolio Standards compliance charge rate and credit rate (the "2016 RPS Filing"). The 2016 RPS Filing included revised tariff leafs 39 to 41; 43 to 47; and 50. Additionally, Delmarva filed work-papers supporting the proposed tariff changes; and

WHEREAS, as discussed further below, Staff has begun its review of the 2016 RPS Filing. At this time, pending further review of the 2016 RPS Filing, Staff recommends that the Commission approve Delmarva's proposed rate changes on a temporary basis with usage on and after June 1, 2016, subject to refund, with interest, and with the appropriate public notice; and

WHEREAS, Staff further notes that Delmarva's 2016 RPS Filing includes implementation of the Renewable Energy Portfolio Standards compliance charge rate (the "RPS Charge Rate"). The

RPS Charge Rate consists of (1) the cost to acquire renewable energy credits ("RECs"), solar renewable energy credits ("SRECs"), and their equivalents necessary to comply with the Delaware Renewable Energy Portfolio Standards Act ("RPS"); (2) the cost and/or benefit of the energy from contracts for renewable energy entered into by Delmarva with the approval of the Commission; and (3) the adjustment of the Qualified Fuel Cell Provider Project on the RPS obligations. The RPS Charge Rate is \$0.004088/kWh for all service classifications, which is an increase of 4%; and

WHEREAS, also included in Delmarva's 2016 RPS Filing is the implementation of the RPS credit rate (the "RPS Credit Rate"). This rate is applied to the Delivery Service Charges¹ for those customers who entered into an energy supply contract with an Electric Supplier² prior to March 1, 2012, and whose respective contract included the cost of RPS compliance. The credit prevents such customers, in effect, from incurring the cost of the RPS twice--once in the RPS Charge Rate and a second time through the Electric Supplier's supply rate (which also includes this embedded rate). The RPS Credit Rate is \$0.000000/kWh for

¹ "Delivery Service Charges" consist of Delmarva's Customer Charge, Distribution Charge, the Green Energy Fund, the Low-Income Charge, and other charges as approved by the Commission. See Delmarva Power & Light Company, P.S.C. Del. No. 8 - Electric, Fourth Revised Leaf No. 4.

² An "Electric Supplier" is a person, corporation, broker, marketer or entity (other than Delmarva) that the Commission certifies and which sells electricity to an electric retail customer utilizing Delmarva's transmission and/or distribution facilities. See Delmarva Power & Light Company, P.S.C. Del. No. 8 - Electric, Sixth Revised Leaf No. 5.

all service classifications since all the respective energy supply contracts have expired; and

WHEREAS, because Delmarva failed to submit a required verification pursuant to 26 Del. Admin. C. §1001-1.7.2, the filing was not complete until Delmarva subsequently filed such required document on May 6, 2016;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. Pursuant to 26 Del. C. §306(a)(1), the Commission hereby approves on a temporary basis, subject to usage on and after June 1, 2016, the 2016 RPS Filing, including the revised rates and revised tariff sheets. Such rates shall be subject to refund, with interest, if the Commission determines in a final order that such rates are, in whole or in part, unjust or unreasonable or otherwise violate Delaware law.

2. Delmarva shall publish the form of notice, attached as Exhibit "A," in the following newspapers, on the designated dates, in two-column format outlined in black:

June 1, 2016 - The News Journal; and

June 2, 2016 - Delaware State News

Delmarva shall cause the affidavits of publication of the above notices to be filed in this docket within two weeks of becoming available.

3. Interested persons may file petitions for intervention, written comments, or objections to the proposed rates and tariff changes **on or before July 29, 2016**. If material written comments or objections are filed, or if Staff recommends

changes to the proposed rates or tariff revisions temporarily approved by this Order, the Commission will determine, by further Order, the course of any further proceedings. If material written comments or objections are not filed and Staff recommends final approval of the rates and revised tariff leafs, then the Commission may enter a final order at a duly-noticed public hearing.

4. Delmarva is hereby notified that it will be charged the costs of this proceeding under 26 *Del. C.* §114(b)(1).

5. The Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

PSC Docket 16-0305, Order No. 8888 Cont'd

ATTEST:

Secretary

E X H I B I T "A"

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**PUBLIC NOTICE OF CHANGES TO
THE RENEWABLE ENERGY STANDARDS PORTFOLIO RATE FACTORS**

**TO: ALL CUSTOMERS OF DELMARVA POWER & LIGHT COMPANY TAKING
STANDARD OFFER SUPPLY**

On May 6, 2016, Delmarva Power & Light Company ("Delmarva" or the "Company") filed with the Delaware Public Service Commission (the "Commission") an application to make changes to its Electric Tariff related to its Renewable Energy Portfolio Standards compliance charge rate ("RPS Charge Rate") and credit rate ("RPS Credit Rate") for both fixed price SOS and hourly price (i.e. SOS and returning customer) services.

According to the Company's calculations, the RPS Charge Rate will be \$0.004088, or an increase of 4%. The RPS Credit Rate will be \$0.000000, which would apply only to the Delivery Service Charges for those customers who entered into an energy supply contract with an Electric Supplier prior to March 1, 2012, and whose contract included the cost of RPS compliance. All of those contracts have expired as of June 1, 2016.

On May 17, 2016, in PSC Order No. 8888, the Commission allowed the proposed rates and tariff changes to go into effect, with usage on or after June 1, 2016, on a temporary basis, but subject to refund with interest if the Commission later determines in a final order that such rates and charges are incorrect, unjust, or unreasonable or otherwise violate Delaware law or otherwise violate Delaware law.

If you wish to file written comments or objections ***you must do so on or before July 29, 2016.*** If you want to formally participate as a party in this matter, with the right to present evidence and be represented by counsel, you must file with the Commission a written petition asking for leave to intervene in accordance with the requirements of the Commission's Rules of Practice and Procedure (26 Del. Admin. C. §1001-2.9) ***on or before July 29, 2016.*** All written comments, objections, or petitions for leave to intervene should be sent to the Commission's address:

Public Service Commission
861 Silver Lake Blvd.
Cannon Bldg., Suite 100
Dover, DE 19904
Attn: PSC Docket No. 16-0305

Petitions filed after the deadline of July 29, 2016, will not be considered except for good cause shown.

You are invited to review Delmarva's filing and supporting documents to determine how your interests may be affected. You may review documents posted on the Commission's website in the DelaFile E-filing system located at

<https://delafile.delaware.gov/> using docket number 15-0890. If you would like to review documents at the Commission's offices, please contact Donna Nickerson at donna.nickerson@state.de.us to arrange a time for your review. You may also review copies of Delmarva's filing and supporting documents at the office of the Division of the Public Advocate located at the Carvel State Office Building, 4th Floor, 820 North French Street, Wilmington, Delaware 19801, or 29 South State Street, Dover, Delaware, 19901. Please call (302) 577-5077 (Wilmington) or (302)241-2545 (Dover) to arrange for a time to review the documents at those locations.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. This form may be found at <http://smu.portal.delaware.gov/cgi-bin/mail.php?foia-request&subj=DOS>. There is also a link to the Freedom of Information Act Request Form on the Commission's website at http://delaware.gov/help/foia_request.shtml. The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, 29 Del. C. ch. 100.

If you have a disability and wish to participate or to review the materials in this matter, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail, or other means.

If you have questions about this matter, you may call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302)

736-7500 (voice and text telephone). You may also send questions regarding this matter by Internet e-mail addressed to pamela.knotts@state.de.us.